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CUSTOMER RETENTION STRATEGIES AND PERFORMANCE OF COMMERCIAL BANKS IN RWANDA

A CASE STUDY OF EQUITY BANK RWANDA PUBLIC LIMITED COMPANY (PLC)

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DECLARATION

This research project is my original work and has not been presented for degree or any other institution of higher learning. No part of this work should be reproduced without the authors' consent or that of Mount Kenya University.

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Declaration by the Supervisor

I confirm that the work reported in this research project was carried out by the candidate under my supervision.

Sign ____ *Date* _________________________

Name: Dr. Gitahi Njenga

DEDICATION

I dedicate this research to my parents and my siblings for their support, inspiration, encouragement and understanding throughout my academic journey.

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I am immeasurably grateful to God Almighty for his blessings and guidance throughout my academic journey. I would like to acknowledge my supervisor, Dr. Gitahi Njenga, for his guidance and necessary support needed to make this research a success. I also acknowledge the School of Business and Economics, and Mount Kenya University in general for giving me this opportunity. My gratitude also extends to all the research participants and respondents; this goes towards honoring your contribution towards the success of this project.

ABSTRACT
The main objective of research was to examine the influence of consumer retention strategies on the performance of Commercial Banks in Rwanda; taking Equity Bank Rwanda PLC as the case study. More specifically the study sought to; examine how consumer retention strategies affect the performance of Equity Bank Rwanda PLC; to determine the performance level of Equity Bank Rwanda PLC; and to establish the relationship between consumer retention strategies and the performance of Equity Bank Rwanda PLC. The study adopted three theories; relationship commitment model, customer bonding theory and disconfirmation of customer satisfaction. The study used descriptive case study research design. The study's target population was 134 staff members. Slovin's formula was used to calculate the sample size n=100. Purposive technique of sampling was used dependent on the analyst's judgment that the selected sample matched the study's objectives. The researcher collected primary data from the respondents using survey questionnaires. Secondary data was sourced from open access libraries and peer reviewed journals relevant to the study. Questionnaires that were accurately completed were assigned

with codes and entered into the SPSS computer software for analysis. Data was presented using frequencies, rates, and means, standard deviations, and exhibited as tables. Person correlations and regression examinations were utilized to decide and clarify the connection between study variables. Respondents strongly agreed that products and services presented by the bank meet the needs of the customers (mean 4.54); agreed that; services given by the bank coordinate the requirements of the customers (mean 4.42); accuracy was assured in all bank transactions (mean 4.24); bank officials made follow-ups to ensure that complaints were handled effectively and consumers were satisfied (mean 4.25); and customer complaints were handled immediately (mean 4.08). Respondents strongly agreed that the bank has memorable advertisements that capture significant data with respect to their products and services (mean 4.59); agreed that the bank offered novel and particular items (mean 4.46); the bank used latest technology that had diversified its ability to offer services to customers (mean 4.17); and the adoption of Mobile banking and the frequency of transactions using Money Transfer technologies 'EazzyPay" had increased the bank's profitability (mean 4.13). A regression analysis was conducted to determine the influence of consumer retention strategies on bank performance when the dependent variables were regressed against the independent variables. The findings suggested a 65.3% variance of customer retention rates, 75.5% variance of customer growth, and 53.5% variance of Banking operational costs as accounted for by the model, in this case, consumer perceived pricing, service quality delivery, and product diversification. ANOVA results suggested consumer retention rates (p=.006), customer growth (p = .024), Banking operational costs (.003) indicating that the models were significant in predicting the influence of consumer retention strategies on bank performance given that the p values were <0.05 or < 0.01. Conclusions made by the study suggested that Equity bank had adopted customer retention strategies that contribute towards improving its market share. Service quality consumer retention strategies adopted by the bank had contributed towards increment in the quantity of consumers seeking products and services. Product diversity retention strategies had led to high satisfaction rates among consumers. The study recommended that banks should strengthen consumer analysis in order to ensure that it foresees changing needs for more quality products and services.

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LIST OF ACRONYMNS AND ABBREVIATIONS

CRM	**:**	Customer Relationship Management
DV	**:**	Dependent Variable
IV	**:**	Independent Variable
MKU	**:**	Mount Kenya University
PLC	**:**	Public Limited Company
SPSS	**:**	Statistical Packages for Social Sciences

OPERATIONAL DEFINITION OF KEY TERMS

Customer: A person who is interested in buying goods or services. The current study uses the term to refer to any persons who are capable of opening and transacting bank accounts and accessing different services offered by the banks.

Customer Retention: The capacity of an organization to maintain the numbers of its customers. The current study uses the term to refer to activities, actions, and strategies taken by banks to reduce customer turnover. The term consumer retention is used interchangeably.

Service Quality: The measurements of how delivered services of an institution match the needs and expectations of the consumers.

Bank: An institution or establishment which is accredited by the government/government institution to conduct deposit and credit facilities, and act as intermediaries in financial transactions while at the same time offering approved financial transactions to clients and potential clients.

Performance: The execution of given tasks that are measures against existing or pre-set standards defined by accuracy, cost, speed, and completeness.

Bank Performance: The measurement of how operations and resources of a bank are used to form strategies that drive it to the achievement of its objectives. Bank performance is measured through indicators that indicate the status and the possibility of it to achieve desired objectives within a stipulated time.

CHAPTER ONE: INTRODUCTION

1.0 Introduction

Chapter one mirrors the investigation factors by giving a profound foundation into the examination ideas and expressing the issue that incited the analyst to lead the investigation. Other sections of the study cover the research objectives, research questions, significance, limitations, and scope of the study. The final section outlines how the study will be organized.

1.1 Background of the Study

The contemporary global market has been described by high challenge within sectors and hence calling for the application of effective and efficient customer retention strategies (Honts & Hanson, 2011). The importance of customer retention cannot be ignored bearing in mind that the costs of acquiring new customers exceed those of maintaining existing ones. The cost of procuring new clients would possibly cost multiple times than that of fulfilling and holding current ones, and the rate of consumer profit has grown over the life of the retained client (Kotler, Keller, Koshy, & Jha, 2009). Scholars supporting the consumer retention concept associate retaining customer with improved profitability due to the reduction of operating costs associated with acquiring new clientele. The concept is also associated with the ability of organizations to tolerate competition from other players in the sector.

Globally, the banking industry has transformed its service delivery strategies. One of the distinguishing feature highlighting their transformation is that traditional banking systems were defined by account deposits and loan lending whereas the current banking system is predominantly occupied by navel innovative technologies aimed at reaching out to clients and potential clients (Adiele & Gabriel, 2013). Karr (2012) paints an image of the current banking sector by defining the strategies adopted as those aimed at extending their share in respective global markets leading to the intensification of competition between banks. Contemporary consumers are able to compare products and services offered by different banks, leading to a ‘frictionless commerce’ that associated with high consumers’ expectations regarding expected products and services, which also increases their chances of switching to other service providers.

Scholarly evidence linking consumer retention strategies and performance of banks has been documented globally and regionally. In Turkey, Khan and Fasih (2014) positively related service quality with consumer satisfaction and loyalty, which subsequently enhanced organizational performance. Zimbabwean studies linked consumer retention strategies with consumer loyalty and satisfaction levels and hence high performance rates of banks (Tinashe & Eustina, 2016). The relationships between administration quality, shopper fulfillment, trust, responsibility, maintenance, and exchanging boundary were examined in a Ghanaian report by Boohene, Agyapong, and Gonu (2013), and exchanging hindrance distinguished as the most noteworthy affecting client maintenance, trailed by buyer duty, and purchaser trust. In Nigeria, Farayibi (2016) studied how service quality delivery affected the satisfaction of consumers and identified a relationship between enhanced performance of banks in service delivery and satisfaction of consumers through the application of effective consumer relationship management (CRM) strategies. An expansion in the quantity of working days and bank offices was related with abnormal amounts of consumer loyalty, and an expansion in the profit margin improved levels of consumer satisfaction.

Regional studies conducted in Tanzania by Auniel and Mokaya (2018) on factors that affected consumer retention in commercial banks highlighted positive relationships between consumer retention and service delivery, as well as consumer relationships and consumer retention. Consumers were ready to retain their dependability to banks because of administration quality conveyance and relationships. In Kenya, Kuria and Muturi (2018) linked customer focus and complain handling with beneficial outcomes on the exhibition of the bank, an indication that the increase in customer focus and complain handling enhanced the performance of the commercial banks, which meant that improving customer focus would have a constructive outcome on commercial bank performance. Mecha, Ogutu, and Ondieki, (2015) linked bank innovativeness and employee training with high rates of consumer retention in Kenyan commercial banks.

Other Kenyan studies by Sakwa and Oloko (2014) indicated that consumer waiting time critically affected the performance of banks. Different elements that affected performance included item division, administration conveyance, channels, and correspondence. Holding up circumstance practices enabled customers to spare time and stay away from long methods that appeared to create dissatisfaction, and hence influencing banking sector’s performance. In a similar way, Kenyoru, Chumba, Chumba and Rotich (2016) studies on how product diversification strategy affected the monetary presentation of banks in Kenya proposed that there existed positive and critical connections between vertical, flat, and aggregate broadening and the budgetary exhibition of banks.

The market execution of the banking industry is a function of various variables. According to Karr (2012) banks worldwide are putting in measures aimed at improving their market performance. Karr (2012) observed that these measures in essence revolve around better cost management practices, improved customer relationship management, improved product mix to increase the target market, informed and improved pricing decisions. Adiele and Gabriel (2013) on the other hand attributed the improved performance of the global banking sector on advancement of technology. However, Adiele and Gabriel (2013) argued that customer relations was major and fundamental factor that could substantially affect the marketing performance of a bank.

Customer service has become important to organizations in many ways, but a generalized view is that most do not take it too serious. With the growing rivalry among both local and outside banks, it is basic that business banks improve the nature of their administrations as a performance enhancement measure. However, the current banking market has provided consumers with too many options to choose from, hence making it hard to please them. On the other hand, demands from consumers have become stronger and the demand for high quality, yet low-priced and immediate services is expected (Kotler & Keller, 2014). Banks existing in growing and competitive market places need to out into place consumer retention strategies which enhance their performance and market share, more so as the sector is defined by identical products and services, whose replication poses significant danger to decreasing prices and discounts as players struggle to pull and retain a bigger share of customer share while at the same time achieve their financial objectives. Thus, one of the major strategic focus that these institutions can retain in order to remain competitive and relevant would be to hold whatever number clients as could be allowed.

Rwanda's banking sector has significantly grown in terms of deposits, credit facilities, innovative products, assets, and profitability. This growth can be attributed to the hastened distribution of wealth in the nation similar to the East African Community, technological innovations leading to the computerization of numerous administrations, and the vital move by numerous banks to offer items that meet their multi-faceted needs as opposed to offering customary 'off-the-rack' banking items. Most of the banks in Rwanda are foreign, and do not offer quite diversified products and services. This is a suggestion that the sector has achieved its development period of the item cycle, and henceforth commoditized given that banks are offering nearly identical products resulting to a downward spiral of price reduction and discounting as a strategy to retain a large consumer share. Based on the above background, the current study proposed to examine the influence of consumer retention strategies on the performance of commercial banks in Rwanda; taking Equity Bank Rwanda PLC as the case study.

1.2 Problem Statement

Equity Bank Rwanda PLC is among the fast growing commercial banks in the country (Adeleye, White, and Boso, 2016). In 2018, the bank bagged two awards at the 2018 Service Excellence Awards, and was voted as 'Bank of the Year' and 'Best Tech Innovation of the Year for its EazzyPay product. However, despite bagging the awards, it was quite unclear how this new innovation had improved its performance in regards to the rate of consumer growth, volume, ad satisfaction levels. Hence, as a bank using innovative techniques to attract more consumers, it is essential that more scrutiny is made into identifying consumer retention strategies that could influence the performance of the bank. Evidence linking consumer service practices and customer satisfaction and retention exists in plenty (Agyapong, & Gonu, 2013; Khan & Fasih, 2014; Mecha Ogutu, & Ondieki, 2015; Tinashe &Eustina, 2016; Boohene; Farayibi, 2016; Auniel & Mokaya, 2018; Kuria & Muturi, 2018;). However, there is paucity of examination into the all-inclusive impact of client maintenance on firm performance, and most especially in Rwanda. Based on the researcher's initial review, the study examined the influence of consumer retention strategies on the performance of Equity Bank Rwanda PLC as a way of filling up the existing research gap.

1.3 Objectives of the Study

1.3.1 General Objective

The main aim of the study was to examine the influence of consumer retention strategies on the performance of Commercial Banks in Rwanda; taking Equity Bank Rwanda PLC as the case study.

1.3.2 Specific Objectives

The study's specific objectives included;

i. To examine how consumer retention strategies, affect the performance of Equity Bank Rwanda PLC.

ii. To determine the performance level of Equity Bank Rwanda PLC.

iii. To establish the relationship between consumer retention strategies and the performance of Equity Bank Rwanda PLC.

1.4 Research Questions

The study's research questions included;

i. How do consumer retention strategies affect the performance of Equity Bank Rwanda PLC?
ii. What is the performance level of Equity Bank Rwanda PLC?
iii. What is the relationship between consumer retention strategies and the performance of Equity Bank Rwanda PLC?

1.5 Significance of the Study

The examination provides bank managers with extra learning in connection to client management and retention strategies within the realms of service quality delivery, product diversification, and consumer perceived pricing on the performance of their respective branches. Bank managers also get extra learning on different ways of utilizing client retention strategies in order to determine which ones are over utilized or underutilized, and hence adopt the best strategies towards consumer retention and improve market share and performance of their respective banks.

Managers of different associations likewise profit by the discoveries in that the study helps them in surveying policies leading to the effective retention of clients. Other people who greatly benefit from the study include customer relationship managers who should be able to review current strategies at their respective employment areas, customer trends, and retention strategies in use.

The study is also relevant to consumer retention strategies as it could be used by other scholars as a point of reference, especially in East Africa and specifically in Rwanda where there is paucity of research linking the research variables guiding the current study.

1.6 Limitations of the Study

Data collection was a challenge due to the inclusion of many departments, hence continuous subsequent meet-ups were made accumulate the required information which made the researcher spent a lot of time collecting the data. The researcher however handled the challenge by making prior appointments with respective respondents and quick follow-up done. Second, on perceptions of customer retention rates, customer relationship managers tried to withhold information on the actual retention rates. To deal with the limitation, the researcher provided proof to the relative persons that the information accumulated would be simply shielded and utilized for scholastic purposes.

1.7 Scope of the Study

1.7.1 Content Scope

The current examination deliberated on the influence of customer retention strategies on performance of commercial banks. Service quality delivery, product diversification and consumer perceived pricing were the predictors of consumer retention strategies while performance of commercial banks was discussed in terms of, increase in consumer volumes, rate of customer retention, rate of customer growth, and banking operational costs.

1.7.2 Geographical Scope

The examination was conducted in Kigali City, and covered the Head Office. Apart from hosting the main branch, the geographical location was chosen due the urban setting characterized by a growing economy and the proliferation of banks that makes competition for customer and market share stiffer.

1.7.3 Time Scope

The examination factored in a time duration of 5 years (2016 – June 2021) due to the fact that these period has been characterized by overemphasis by the government on service provision. Also it is within this period that the banking sector, among them Equity Bank Rwanda PLC has widened its products in a bid to fit into the competitive market.

1.8 Organization of the Study

The present study is organized into five chapters. Chapter one mirrors the investigation factors by giving a profound foundation into the examination ideas and expressing the issue that incited the analyst to lead the investigation. It also looks at the research objectives, research questions, significance of the study, limitations of the study, and scope of the study. The concluding section outlines how the study will be organized.

Chapter two is the body of the exploration and dives into giving a basic diagram of the hypothetical and experimental insightful proof in connection to the examination factors. The primary segment of the part furnishes the investigation with a hypothetical examination of the factors, the second area gives an experimental examination of concentrates identified with the ebb and flow one, the third segment offers a sensible basic audit of observational writing prompting the recognizable proof of the exploration gap, the fourth segment offers the investigation with a hypothetical supporting, the fifth segment shows the conceptual framework, and the last segment gives a concise synopsis of the section substance.

Chapter three introduces the examination approach to be utilized by the analyst from the initial step of information gathering to the last advance of showing dissected information. The chapter is separated into various segments which depict the examination design to be utilized, target populace, sample size, determination of sample size, sampling procedures, data collection methods and tools, administration of data collection instruments, determination of validity and reliability, information investigation method, and moral contemplations inborn to the investigation.

Chapter four presents research findings and their relevant discussions as collected and analyzed by the researcher. The first section presents the demographics of the respondents and the second section elucidates on the empirical evidence as per the research objectives guiding the study. Chapter five presents a summary of the findings discussed in chapter four as per the research objectives. Other sections of the chapter present conclusions drawn from research findings and recommendations reached upon by the researcher. The last section of the chapter presents a suggestion for future studies.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.0 Introduction

This chapter dives into giving a basic illustration of the hypothetical and experimental insightful proof in connection to the examination factors. The primary segment of the part furnishes the investigation with a hypothetical examination of the factors, the second area gives an experimental examination of concentrates identified with the ebb and flow one, the third segment offers a sensible basic audit of observational writing prompting the recognizable proof of the exploration gap, the fourth segment offers the investigation with a hypothetical supporting, the fifth segment shows the conceptual framework, and the last segment gives a concise synopsis of the section substance.

2.1 Theoretical Literature

This area talks about writing identified with the variables guiding the study and offers the link and relationships between respective variables.

2.1.1 Customer Retention Concept

Consumer retention is associated with hypothesis of planned behavior that defines how consumers would potentially view services, brands, products, and activities of business entities (Talib, Rahman & Qureshi, 2012). Consumer retention has been understood within the dimensions of consumer loyalty (Payne & Frow, 2015). Actually, the two terms have more often than not been used interchangeable by scholars in writing. Be that as it may, purchaser maintenance and faithfulness are not synonymous to one another as they record significant differences. For instance, retention can be understood as the commitment to engage in business activities with certain organizations, or the consumer liking, identification, trust, commitment, willingness, and recommendations to stick to a particular brand or business for both emotional and behavioral intentions (Stone, Bond, & Foss, 2004). Thus, customer retention deals with the repetition of accessing a company's goods and services, which is synonymous to repeated purchasing conduct and brand dependability

Then again, commitment deals with the outcomes of business connections that guarantee the strength and benefit of the relationship. It links the long-term commitment of a consumer with the ability to maintain health relationships with firms. Shared responsibility includes the way toward making long haul purchaser and merchant connections (Hill, Roche, & Allen, 2007). There exist numerous ideologies on the applicable measured that determine consumer retention across economic sectors. However, the applicable common consensus is that firms focusing on the appropriate strategies yield more economic benefits.

Organizations with high consumer retention rates enjoy high margins and faster growth as opposed to the hypothesis that the ability of consumers to stay longer lead to high profit margins for organizations (Stone, Bond & Foss, 2004). Staff empowerment and access to information and knowledge is essential in recovering situations and customers. Information systems are also used to providing essential support to customer retention through accurately recording client data and assessing important information capturing issues leading to defection. Kotler

(2003) associated marketing with retention and acquisition of consumers. Scholars have also linked consumer satisfaction, commitment, and trust as significant influencers of consumer retention.

Consumer behavior studies have consistently emphasized on satisfaction during consumer's post-purchase stage (Yaqub, Halim, & Shehzad, 2019). The hypothesis and ideology is that positive consumer satisfaction prompts rehashed buys and mouth-to-mouth publicizing, an idea that is indispensable in marketing. Competitive sectors have established consumer loyalty as one of the valuable resources that fundamentally influence reliability and consistency standards (Yaqub, *et al*, 2019). The relationship is emphasized in Rowley and Dawe's (2009) studies that referred to satisfaction as the driving force for retention and hence the achievement of market share. As such, high retention rates are associated with high profit rates as relationships and mutual understanding is created, and consumers tend to expand their number of purchases.

Contemporary marketing activity has moved towards a conventional approach that tries to manufacture long haul associations with consumers (Hill, Roche, & Allen, 2007). The differentiation between these conventional strategies from the traditional ones stems from transactional marketing that was focused on supplying instead of relationship showcasing that is centered more around the requirements of shoppers. As a result, organizations have not been attracting business customers but retaining and sustaining long-term relationships with existing ones. Consumer retention is determined and estimated by the span of time an individual remains a customer of an organization (Yaqub, Halim, & Shehzad, 2019). To calculate consumer retention rates, organizations are able to forecast duration of consumers and determine if there are likely to remain loyal or not.

2.1.2 Customer Retention Strategies and the Banking Sector

Service quality delivery, product diversification, and consumer perceived pricing are among the most common consumer maintenance techniques in the financial business that the current study will adopt.

2.1.2.1 Service Quality Delivery

Quality in the financial business is associated with exceeding the consumers' expectations (Al-Hakim, 2013). Hence, the over emphasis of the idea administration quality in the financial business. It is also evident that bank consumer perceptions towards service delivery have for the last few years changed. The current sector overemphasizes on quality, which is defined by the commitment towards continuous improvement and maintaining long-term relationships with consumers. In addition, the need for technologically advanced goods and services have defined the nature of administration arrangement in the financial area with pressure from most of the consumers for banks to improve on service provision, more so on the virtual accessibility of services (Talib, Rahman, & Qureshi, 2012).

Organizations reach consumers through service provision activities that depend on the kind of items offered in connection to their competitors. Services can be specific to contextual application. For instance, Kotler and Keller (2014) look at the term within the realms of any untouchable act offered by one party to another one, and does not result into the ownership of anything. Thus, one party gain, while the other may or may not gain monetary value out of the service. But the intention is not for monetary value, but to offer support to the other party.

According to Solomon (2013), consumers look for quality in service offers, hence quality is associated with products' characteristics and features that consumers need or bear the ability to satisfy (Kotler *et al*., 2012). Quality is associated with offer or values, which elicit satisfaction on the part of consumers. Thus, management literature links service quality with the perception of consumers that go beyond what they expect from service providers (Zeithaml *et al*., 2011). The same sentiments are shared by Parasuraman (2014) who linked service quality with existing differences between consumer expectations and service perceptions.

2.1.2.2 Product Diversification

Diversification is a strategy that involves increasing the services and products if the organization in its existing markets and hence widening operational scope. The advantage associated with the diversification strategy is the capacity to build relationships with existing products and markets (Johnson & Whittington, 2008). Contemporary business banks approach the expansion procedure so as to achieve effectiveness through the use of existing bank assets, extend corporate child rearing abilities to new markets, and increment the market control by presenting assorted scope of items and administrations. As a result, a bank is able to cut-across numerous business activities and earn from surpluses in ways that their competitors cannot manage (Luo, 2009). Diversification of products according to Merman (2008) renders competitors irrelevant in the market and hence guarantee business sales. Differentiation of services can happen in terms of performance, speed, responsiveness, quality, and availability.

2.1.2.3 Consumer Perceived Pricing

Perceived pricing is the monetary value that is attached to something. It is what a person has to part with so as to get an item or an administration. Hence, scholars have more often than not linked the term with monetary sacrifice

(Sweeney, *et.al*, 2003). The pricing model is defined by objective price, which is the monetary value paid for the product or service; seen non-money related cost; and penance. The financial cost differs from the perceived price given that the former is the real amount paid for the service while the latter is the documented and assumed price conceived by the cognitive function of respective consumers. The importance of price as a consumer retaining tool has been overemphasized for decades (Dawes, 2009). Consumers are viewed within the lenses of maximizers for esteem with the origination that costs for administrations mean an incentive for cash and put stock in trade-off among cost and quality. The satisfaction levels of consumers are also a condition attached to the value for money as it digs deep into identifying the perceived quality of services conceived by consumers (Voon, 2011; Jin, Lee & Huffman, 2011). As such, firms set competitive price services that facilitate consumer retention practices (Dawes, 2009; Polo, Sese and Verhoef, 2011).

Zeithaml and Bitner (2000) linked retention and price by overemphasizing on the mentality of fairness among involved partners in the exchange. Consumers believe in product gain while at the same time they view their purchasing action as loss of money. In the case that consumers pay lower fees in comparison to the others, then they receive less products than anticipated, and hence inequity due to negative price. On the other hand, inequality arising from perceived pricing could lead to receiving high quality products contrasted with other people who either paid a similar cost or lower cost, yet gets a similar item. Thus, the connection between cost perception and consumer retention due to its ability to influence individual behaviors in diverse manners. It is thus important to set rational prices with the aim of enticing and retaining consumers and maintaining long-term relationships, which according to Polo *et al.,* (2011) is fundamental for consumer retention.

2.1.5 Bank Performance and Consumer Retention

Performance refers to the execution of given tasks that are measures against existing or pre-set standards defined by accuracy, cost, speed, and completeness. Murimiri (2009) looks at the concept within the prospects of the extent to which investments are profitable. In the business sector, performance is a concept that is used to determine the ability of an organization to survive amidst any presenting challenges. Within the context of the study, performance has been applied to the banking sector to refer to the measurement how operations and resources of a bank are used to form strategies that drive it to the achievement of its objectives. Bank performance is measured through indicators that indicate the current status and the possibility of it to achieve desired objectives within a stipulated time.

Customers and the most important assets that organizations can boast, and hence the importance of consumer retention in the survival of any business entity (Gupta & Zeithaml, 2006; Ang & Buttle, 2006). Firms without consumers are inevitable as there would be no revenue generation activities, no benefits, and subsequently no market esteem whatsoever (Ang & Buttle, 2006). Studies linking customer retention and the performance of firms emphasize on the significance of firms to make and continue invaluable connections with the consumers of its products and services as the only logical way through which firms achieve their monetary goals years (Gupta & Zeithaml, 2006). This existence of scholarly evidence linking customer retention with performance has elicited numerous discussions making it an important topic in organizational marketing studies (Gupta & Zeithaml, 2006; Buttle, 2004). Competitive sectors have continued to overemphasize on the importance of consumer retention strategies as an essential marketing tool (Singh, 2006; Honts & Hanson, 2011).

Findings have further linked high marketing prices with new consumer recruitment as opposed to retention of existing ones (Trasorras Weinstein, & Abratt, 2009; Woo & Fock, 2004; Ghavami & Olyaei, 2006). Consumer retention is also associated with the ability of firms to sustain and withstand stiff competition by winning loyalty among their consumers and hence maintaining the credibility of their products and services. Previous empirical evidence has supported the existence of connections between consumer retention strategies and firm performance (Ryals & Knox, 2005; Singh, 2006; Trasorras *et al*.,2009). Ryals and Knox's (2005) studies concluded that five percent expansion in client standards for dependability had the possibility of shooting a firm's profit levels from twenty-five to ninety-five percent. Firm performance is defined by computerized figures in accounts and presented in the form of financial expressions defined by digits whose measures include operational costs, profits, and market share (Gupta & Zeithaml, 2006). However, in the service provision industry such as banks, firm performance exceeds the financial dimension and adopts a non-financial dimension defined by non-financial performance metrics among them consumer retention, growth, and satisfaction rates (Avci, Madanoglu, & Okumus, 2011)

2.2 Empirical Literature

2.2.1 Service quality delivery and the performance Banks

Khan and Fasih (2014) studied the satisfaction levels and loyalty of banking customers in relation to the quality of bank services in Turkey. Different dimensions of service quality were studied and efforts made into finding out which dimension enhanced consumer satisfaction and loyalty to the highest extent. The researchers reported a positive connection between all dimensions of quality of service, satisfaction of consumers, and loyalty.

Tinashe and Eustina (2016) studied how consumer retention strategies influenced the effectiveness of business banks in Zimbabwe. In light of a distinct research plan and sample population from both staff and customers, the findings suggested that Zimbabwean banks failed to meet consumer expectations. Further, customer retention strategies positively impacted customer loyalty and satisfaction levels. Hence, there was need for banks in Zimbabwe to match retention strategies with the necessities and inclinations of shoppers so as to accomplish their objectives.

Boohene, Agyapong, and Gonu (2013) examined retention factors that influenced consumers to stick to respective commercial banks in Ghana. Relationships between administration quality, customer fulfillment, trust, duty, maintenance, and exchanging boundary were identified. Findings identified exchanging hindrance as the most noteworthy affecting client maintenance, trailed by shopper duty, and customer trust. Recommendations were made towards banks putting more assets into customer relationship advertising that enhanced consumer dependency and hinder switching.

Farayibi (2016) studied how service quality delivery affected the satisfaction of consumers in Nigerian banks. Findings from the study identified a relationship between enhanced performance of banks in service delivery and satisfaction of consumers through the application of effective consumer relationship management (CRM) strategies. An expansion in the quantity of working days and bank offices was related with abnormal amounts of consumer loyalty, and an increase in the profit margin improved levels of consumer satisfaction. Discoveries of the examination additionally uncovered that the number of bank outlets had positive but insignificant relationship with consumer satisfaction as the spread of branch networks had better effects on satisfaction levels as opposed to the number of banks.

Kuria and Muturi (2018) looked at how consumer retention strategies influenced financial performance of the banks in Kenya. The study findings indicated that customer focus and complain handling with beneficial outcomes on the exhibition of the bank, an indication that the increase in customer focus and complain handling enhanced the monetary execution of the business banks in Kenya. This meant that improving customer focus would have a constructive outcome on commercial bank performance.

Sakwa and Oloko (2014) assessed how client administration influenced the exhibition of banks undertaking commercial activities in Kenya. The duration of time that consumers waited to be served was found to impact the monetary functioning of the banking sector. Other factors that affected performance included product division, administration conveyance, channels, and correspondence. Holding up circumstance practices enabled customers to spare time and dodge long methods that appeared to create dissatisfaction, and hence affecting the performance of the exhibition of the financial segment.

2.2.2 Product diversification and the performance Banks

Mecha, Ogutu, and Ondieki, (2015) investigated the adequacy of client maintenance techniques basing their case study on banks engaging in commercial activities in Kenya. Findings linked innovativeness and employee training with high rates of consumer retention. Recommendations made by the authors directed banks to conduct market research before settling on consumer retention strategies, and to reward their respective sales force for customer retention efforts.

Kenyan studies by Kenyoru, *et al*. (2016) investigated the how product diversification strategy influenced the monetary presentation of banks. Findings from the investigation proposed that there was a positive and noteworthy connection between vertical, horizontal, and conglomerate diversification and the monetary execution of banks. Conclusions made from the investigation proposed that enhanced levels of product diversification emphatically affected the money related execution of banks.

2.2.3 Consumer perceived pricing and the performance Banks

Auniel and Mokaya (2018) studied factors that affected consumer retention in Tanzanian commercial banks. The study examined the relationships between consumer satisfaction, trust, commitment, trust, maintenance, administration quality, and exchanging hindrances. Findings from the study highlighted positive relationships between consumer retention and service delivery, as well as consumer relationships and consumer retention. Consumers were ready to retain their steadfastness to banks because of administration quality conveyance and connections. Other buyer maintenance techniques included regard agreed by bank staff, most recent electronic items, and openness to banking administrations.

2.3 Critical Review and Gaps Identification

The study appraised scholarly evidence both at global and regional levels. Whereas there is plenty of evidence linking consumer retention strategies how commercial banks performed, research gaps emanating from how the variables were measured exist. To begin with, Turkish studies by Khan and Fasih (2014) linked satisfaction levels and loyalty of banking customers to quality of bank services. Despite the fact that the examination recognized positive connections between the factors and hence leading to performance, the study did not highlight product diversification and consumer perceived pricing as retention strategies, nor was performance measured as retention rate, and consumer growth.

Boohene, Agyapong, and Gonu (2013) examined retention factors that influenced consumers to stick to respective commercial banks in Ghana by identifying the inability to change service providers as having a high impact on the retention rates of consumers. The study did not however establish how the rates of consumer retention influenced the performance of commercial banks, but was directed more into establishing behavioral factors associated with consumer retention. Farayibi (2016) used financial metrics (profit margins) to measure performance while the current study's measures do not factor in the financial dimension, but rather the non-financial metrics. Tanzanian studies by Auniel and Mokaya (2018) highlighted positive relationships between consumer retention and service delivery, as well as consumer relationships and consumer retention. The study also identified other consumer retention strategies as respect accorded by employees offering services at the banks, innovative products, and convenience of banking services, which have been identified in the current study. However, though the geographical region was near the current study's Tanzania's banking sector significantly differs from the one in Rwanda.

Several studies from Kenya were similar to the current study but had numerous gaps. For instance, Kuria and Muturi's (2018) study solely focused on customer focus and complain handling as service delivery techniques omitted product diversification and consumer perceived pricing. Mecha, Ogutu, and Ondieki, (2015) linked product diversification and service delivery though innovativeness with high rates of consumer retention. The study's case study was however different from the current one and hence the findings could not be replicated. In addition, consumer perceived pricing, consumer growth, and satisfaction metrics were not identified.

Kenyoru, *et al.* (2016) and Sakwa and Oloko (2014)'s studies were a replica of the current study, but given the differing banking sector differences in Kenya and Rwanda, generalization of the findings could not be applicable and hence the need to conduct the current one. There was paucity of research in Rwanda as no study was found linking consumer retention strategies and how they affected how commercial banks performed in the country amidst the fast growth economy, and hence the need for the current study.

2.4 Theoretical Framework

The current study's theoretical framework is framed from relationship commitment model, consumer bonding theory, consumer satisfaction theory, and product diversification theory.

2.4.1 Relationship Commitment Model

The model clarifies on elements that define the nature of commitment in relationships using three factors – the efficacy of communication, technical eminence and useful value. All the three components are affected by trust, which significantly impacts commitment levels. Trust is defined as the ability to rely on someone or having confidence in someone or a process (Crosby, Evans, & Cowles, 1990). As such, high levels of trust are associated with strong commitments in relationships as illustrated in Figure 2.1. Trust can also be seen as consumer belief that services provided by respective providers are reliable, and can be depended should there be long-term interests required by the consumer (Sharma & Patterson, 2000).

Trust has a positive impact with the extent of organizations' ability to share comparative qualities. Trust supporter for firms is also associated with clients' fulfillment with former trades with organizations. Sharma and Patterson (2000) distributed organizational quality into binary sections – specialized and useful. Particular quality is connected with the genuine outcomes or basic organizations as they are seen by the customers.

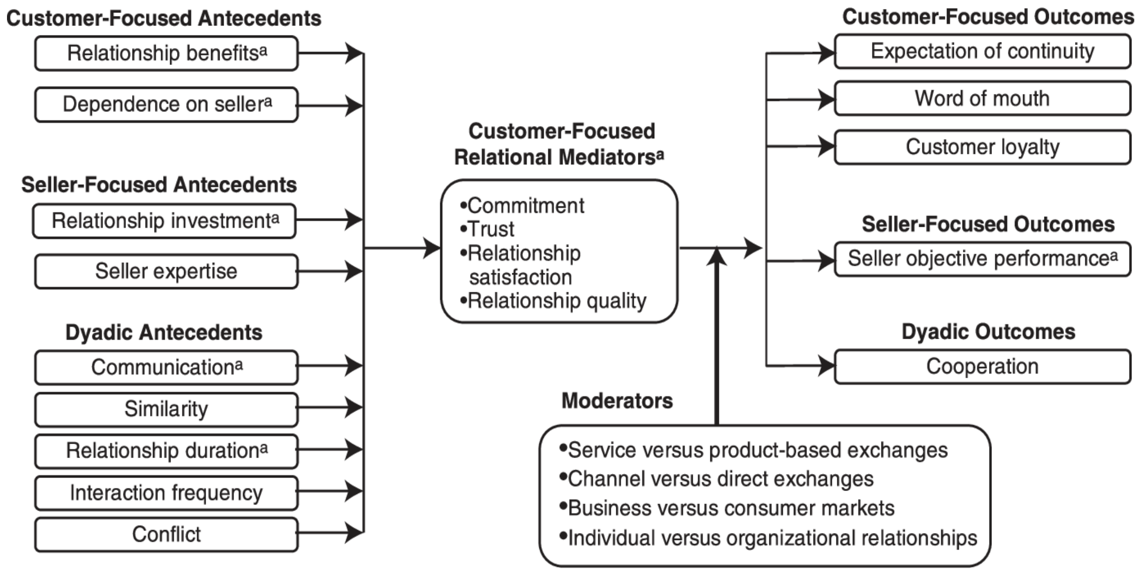

Figure 2.1: Determinants of Relationship Commitment

Source: Sharma and Patterson, (2000)

As indicated by Jansson and Letmark (2005), specialized quality is worried about the capacity and competency of experts to accomplish the best profits for ventures despite worthy hazard levels. In understanding, according to Sharma and Patterson (2000), the utilitarian quality challenges the 'what' and 'how' components of administration conveyance, henceforth manages the connection between the specialist organization and administration collector. The researchers likewise accepted that trust essentially affected the conveyance of value, and the higher the impression of value, the more grounded the relationship responsibility.

The theoretical underpinnings suggest that the ability of organizations to offer quality services to their consumers determine the level of consumer trust they have, and hence strengthening the commitment of their consumers to respective products and services. Consumer commitment is thus enhanced through service quality, which in turn determines the values that consumers have on products and the organization, which is the basic foundation of the current study.

2.4.2 Customer Bonding Theory

Developed by Turnbull and Wilson (1989), the customer bonding theory has greatly been associated with industrial marketing. The hypothesis supports strategies aimed at ensuring existing gainful purchaser connections by setting up social and auxiliary holding. Social bonds are characterized by the constructive relational connections between agents of purchasers and those of venders. Auxiliary bonds are connections built up from joint ventures, which in most instances can be retrieved at the end of the relationship. Structural bonds can also be formed through interdependencies between buyers and sellers established upon their relative assets.

The hypothesized relationships between and among firms in regards to resource ties, actor bonds, and active links support multi-level bonding which is important. Scholars argue that auxiliary holding is more grounded than social holding and is fundamental for keeping up productive firm shoppers. Client holding has likewise been associated with strategies for retaining service customers. Arguments propose three bonding levels – social, structural, and financial. Financial bonding is associated with enticing and maintaining consumers to firms by altering prices of products to entice consumers. For the current research, social bonding takes a higher level of monetary bonding, and takes the second place characterized by a firm going beyond its selling objectives to a more personalized state involving communication strategies, which enhance service quality delivery. The top most place is attained when financial, and structural bonds are implemented. In this case, structural bonds are associated with linking the needs of consumers with the quality of service and products offered. At this level, consumers are seen as partners and sellers work closely to develop services that match the needs of respective consumers.

2.4.3 Disconfirmation Theory of Customer Satisfaction

The Expectancy Disconfirmation Theory (EDT) is used to gauge satisfaction levels of customers from the distinction between their desires and involvement in the products and services they perceive. The hypothesis of the EDT model brings together satisfaction levels with disconfirmation experience levels arising from consumer's comparisons of service performance as opposed to their expectations. Cengiz (2010) believed that customer's response to satisfaction is fulfilment. Hence satisfaction is viewed as a judgement that the features of the product or services, or the nature of the service itself, which in this case should offer pleasurable levels of customer-related fulfillment, factoring in times whrn the fulfillment levels would be high or low.

Satisfaction is connected to direct experiences with things and organizations, and occurs when consumers compare perceptions against standards, such as expectations. Scholarly evidence also suggests that the nature of service conveyance is noteworthy results of service procedures and disappointments emanate from the mismatch between consumer perceptions with what they expect (Mattila & O'Neill, 2003). Owing to the mounting empirical evidence linking consumer satisfaction to increased levels of customer retention, the disconfirmation of customer satisfaction theory would be appropriate to the current study as service quality delivery has been selected as one of consumer retention strategies.

2.5 Conceptual Framework

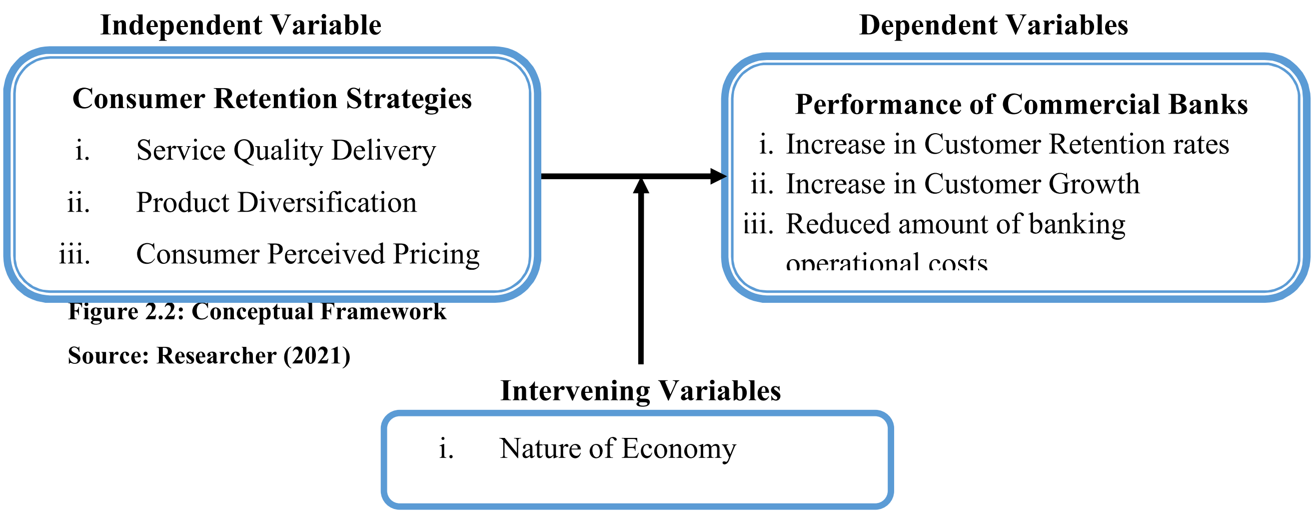

Figure 2.2: Conceptual Framework

Source: Researcher (2021)

2.5.1 Service Quality Delivery

The nature of a service is connected on the estimation of how the procedure of delivering the service matched the expectations of the clients at the bank. This will include an evaluation of the service quality delivered to the clients with the aim of improving services, identifying subjects associated with service provision, and assessing client satisfaction.

2.5.2 Product Diversification

Product diversification is a strategic business idea involving the invention of products and services away from traditional ones with the aim of matching client needs. The study will measure product diversification through an analysis of responses from clients regarding their accessibility and satisfaction with available banking products.

2.5.3 Consumer Perceived Price

Consumer perceived price will be measured through the assessment of the perception gathered from the staff members as to whether the value of products and services can be used as an indicator of quality services and products being offered, whether prices offered are competitive enough to retain consumers, or whether cheap prices offered potentially retain consumers.

2.5.4 Performance of Commercial Banks

Equity Bank's performance will be estimated by surveying client consistency standard, the rate of client development, and consumer loyalty levels. Client retention rates are provided by the bank as they define the percentage of consumers that the company has retained for some time. The degree of customer growth will also rely on statistics provided by respective customer relationship managers as it reflects the growth of customer base for some time.

2.6 Summary

The section investigated scholarly material the writing by different authors on the exploration destinations. The study aims at examining how consumer retention strategies impact the operations of commercial banks in Rwanda. Precisely the study will look into scholarly evidence of service quality delivery, product diversification, and consumer perceived pricing on the execution of firms. The study's theoretical framework is framed from consumer retention theories – relationship commitment model and conversion model and consumer bonding theory.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

Chapter three introduces the examination approach to be utilized by the analyst from the initial step of information gathering to the last advance of showing dissected information. The chapter is separated into various segments which depict the examination design utilized, target populace, sample size, determination of sample size, sampling procedures, data collection methods and tools, administration of data collection instruments, determination of validity and reliability, information investigation method, and moral contemplations inborn to the investigation.

3.1 Research Design

Creswell & Creswell, (2017) defined an examination Design as a methodology, the arrangement and the structure of leading an exploration projector investigation aimed at obtaining information from research subjects. It establishes the blue print for accumulation, estimation and investigation of data (Gorard, 2013). The study used a descriptive case study research design to evaluate how the predictors of the consumer retention strategies variable influence the predictors of the bank's performance. The independent variable was service quality delivery, product diversification, and consumer perceived pricing and the dependent variable was the performance of Equity Bank Rwanda PLC.

3.2 Target Population

Target populace is the absolute number of individuals, gathering, or articles that a specialist is keen on generalizing conclusions (Mitchell & Jolley, 2012). It is also the entire population from which a researcher obtains a sample. The study's target population was 134 staff members dealing with consumers sourced from 8 units from the head office dealing directly with consumers as indicated in Table 3.1. The population was selected as the head office is the central point where all branches report data concerning consumers, and hence would be applicable to sample.

Table 3.1: Distribution of Target Population

Unit	Target Population	%
Marketing and Customer Experience	15	11.2
Commercial	13	9.7
Human Resources	10	7.5
Operations	22	16.4
Credit	25	18.6
Channels	26	19.4
Diaspora Banking	10	7.5
Treasury	13	9.7
TOTAL	**134**	**100**

Source: Researcher (2021)

3.3 Sample Design

3.3.1 Sample Size

The research used Slovin's formula to define the sample population presented as;

$$n = \frac{N}{1 + N(e)^2}$$

Where;

n = sample size,

N = sampled population and

e = error tolerance.

The study adopted an error tolerance of 5%, hence the confidence coefficient was 95%. Therefore;

$n = \frac{134}{1+134(0.05)^2}$ $n = \frac{134}{1+134(0.0025)}$ $n = \frac{134}{1+0.335}$ $n = \frac{134}{1.335} = 100.37$

As calculated above the total sample size of the study was 100 respondents.

The sample size for each of employee categories was determined as follows;

$$n = \frac{\%N}{100} \text{X Sample Size}$$

Based on the above formula, the sample size of each employee category is as indicated in Table 3.2

Table 3.2: Sample Size Composition

Unit	Calculations	Sample Population
Marketing and Customer Experience	$n = \frac{11.2}{100} X\ 100 = 11$	11
Commercial	$n = \frac{9.7}{100} X\ 100 = 10$	10
Human Resources	$n = \frac{7.5}{100} X\ 100 = 8$	8
Operations	$n = \frac{16.4}{100} X\ 100 = 16$	16
Credit	$n = \frac{18.6}{100} X\ 100 = 18$	18
Channels	$n = \frac{19.4}{100} X\ 100 = 19$	19
Diaspora Banking	$n = \frac{7.5}{100} X\ 100 = 8$	8
Treasury	$n = \frac{9.7}{100} X\ 100 = 10$	10
TOTAL		**100**

Source: Primary Data (2021)

3.3.2 Sampling Techniques

Purposive technique of sampling was used to select study respondents. Purposive sampling is subjective in nature, and is selected based on judgements made by the researcher in regards to the population. Thus, the assumption was that bank employees at different levels would be the most appropriate respondents to provide the study with accurate responses. Stratified technique of sampling was utilized to divide the sample population as per its unique characteristics, which included units that dealt with consumers on a daily basis.

3.4 Data Collection Methods

Gathering of data defined by Olsen (2011) as a process involving the assembling and estimation of information that aims at establishing facts that are guided by research objectives and design. The study adopted qualitative and quantitative information gathering strategies.

3.4.1 Data Collection Instruments

3.4.1.1 Questionnaire

Primary data was gathered using survey questionnaires. Neelankavil (2015) supports the use of questionnaires in research as a research collection technique involving the collection of data from questions presented in a prearranged order. The questionnaire had open ended questions, which provided research participants with the option to explain their opinions, and were used to complement and close-ended questions, which offered research participants an avenue to tick responses where applicable based on already provided options, which in most instances were measured and determined based on Likert scales. Libraries and peer reviewed journals from online academic sources were used to gather secondary data relevant to the study.

3.4.2 Administration of Data Collection Instruments

The collection of primary data begun with seeking approval from relevant authorities. The first was obtaining a letter authorizing collection of data and presenting it to relevant branch managers requesting to conduct the study.

Upon getting permission from the respective persons, the researcher proceeded and booked appointments. The time for distribution and pick up point of research materials was settled upon by the respondent and the researcher.

3.4.3 Validity and Reliability

3.4.3.1 Validity

Validity is seen as how much a research tool measures research factors intended to be measured (Guy *et al*, 2007). Bordens and Abbott (2011) submitted that content validity evaluates whether surveys cover study attributed being assessed. To establish content validity, the structure the questionnaire was done in accordance with the exploration objectives. A pilot study was conducted and any mistakes and inconsistencies recorded. The data collection instrument was subjected for review during the defense, and any mistakes corrected.

3.4.3.2 Reliability

Reliability describes the aptitude of a research tool to produce similar and predictable results when applied in different situations. The Cronbach's Alpha (α) values in Statistical Packages for Social Sciences (SPSS – Version 23) was the most appropriate to decide the reliability of the study. The survey had a reliability index of .865. High values signify satisfactory levels of internal consistency, and thus Alpha values (above .7) denote adequate levels of internal consistency. It was therefore concluded that the study was highly reliable.

3.5 Data Analysis Procedure

Procedures for analyzing data involved grouping primary data and preparing it for statistical analysis. Raw information gathered from the field was arranged and organized into sets. An assessment was carried out on all surveys assessed for accuracy and those containing errors were not included in the analysis. Accurately completed questionnaires were coded with codes or labels that assigned symbolic meaning to the descriptive information completed during the study. Data was then processed by feeding the coded information into the Statistical Package for Social Sciences (SPSS- Version 23) computer software for statistical analyses. Descriptive statistics such as frequency and percentages was computed so as to present the quantitative data in form of tables and graphs based on the major research questions. Pearson correlations and regression analysis were done to evaluate the correlation of data and determine the relationships between study variables. All the necessary regression diagnostics were conducted and the research findings presented in charts, tables, frequencies and percentages.

3.6 Ethical Considerations

The examination was subjected to firm moral matters. To begin with, the researcher only proceeded to conduct the study after approval. Respondents were not asked for any information that could potentially associate them with the study. The analyst observed research moral rules by introducing the data collection letter and allowing respondents to make their own decisions to participate. There was no coercion whatsoever and participation was purely on voluntary basis.

CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

The chapter presents research findings and their relevant discussions as collected and analyzed by the researcher. The first section presents the demographics of the respondents and the second section elucidates on the empirical evidence as per the research objectives guiding the study.

4.1 Demographic Characteristics of Respondents

The demographics included gender, age, education level, unit of operation, and duration of employment.

Table 4.1: Gender of Respondents

Gender	Frequency	Percent
Male	66	66.0
Female	34	34.0
Total	100	100.0

Source: Primary Data (2021)

As shown in Table 4.1, 66% of the respondents were male while 34% were female. The sample was dominated by the male respondents which was a true image of the gender composition in the organization.

Table 4.2: Age of Respondents

Age	Frequency	Percent
Below 25	7	7.0
26 – 35	23	23.0
36 – 45	48	48.0
46 and above	22	22.0
Total	100	100.0

Source: Primary Data (2021)

Table 4.2 shows that 7% of the respondents were below 25 years, 23% aged between 25 and 35, 48% aged between 36 and 45, and 22% were 46 years and above. Findings from the study suggested a mature sample that was able to understand the contents of the questionnaire and offer valid responses.

Table 4.3: Education Level of Respondents

Level	Frequency	Percent
Bachelor's	61	61.0
Master's	34	34.0
Doctorate	5	5.0
Total	100	100.0

Source: Primary Data (2021)

Table 4.3 shows that, 61% of the respondents had attained bachelor’s education level, 34% had attained master’s education level and 5% has attained doctorate education level. Findings from the study suggested a well-educated sample that was able to understand the contents of the questionnaire and offer valid responses.

Table 4.4: Unit of Operations

Unit	Frequency	Percent
Marketing and customer experience	11	11.0
Commercial	10	10.0
Human resources	8	8.0
Operations	16	16.0
Credit	18	18.0
Channels	19	19.0
Diaspora banking	8	8.0
Treasury	10	10.0
Total	100	100.0

Source: Primary Data (2021)

Table 4.4, shows that 11% of the respondents were working in marketing and customer care unit, 10% were in the commercial unit, 8% were in human resources unit, 16% were in the operations unit, 18% were in the credit unit, 19% were in the channels unit, 8% were in diaspora banking unit, and 10% were in treasury unit. Given that all the units were represented in the sample; it was evident that the nature of consumer satisfaction as per operations of the banks would be balanced.

Table 4.5: Duration of Employment at Equity Bank Rwanda PLC

Duration (years)	Frequency	Percent
Less than 1 year	23	23.0
2 – 5 years	51	51.0
6 Years and Above	26	26.0
Total	100	100.0

Source: Primary Data (2021)

Table 4.5 shows that 23% of the respondents has been working at Equity Bank for less than 1 year, 51% had been working for 2 – 5 years, and 26% had been working for 6 years and above. The sample suggested that most of the respondents had worked for the bank for at least two years, signifying high levels of experience in how the bank handled its consumer retention strategies, and how these strategies had so far affected the performance of the bank.

4.2 Presentation of Findings

4.2.1 Effect of Consumer Retention Strategies on the Performance of Equity Bank Rwanda PLC.

The first research objective was to examine how consumer retention strategies affect the performance of Equity Bank Rwanda PLC.

Table 4.6: Level of Service Quality at Equity Bank PLC

Rate	Frequency	Percent
Low	3	3.0
Moderate	14	14.0
High	47	47.0
Very High	36	36.0
Total	100	100.0

Source: Primary Data (2021)

As shown in Table 4.6, 3% of the respondents suggested that the level of service quality as low, 14% suggested a moderate level, 47% suggested a high level, and 36% suggested a very high level. The importance of service quality as a consumer retention strategy cannot be ignored. From the findings, the respondents suggested that the bank's level of service quality was positive given that only 3% of the respondents had negative responses. Positive service quality translates to high consumer retention given that satisfaction levels of consumers go high. When this happens, consumers access more products and services, and sales go high translating to high performance levels from these sales. Besides, high quality service attracts more customers to join the bank from other financial institutions.

Respondents were provided with statements to rate their levels of agreements with the service quality delivery in relation to consumer focus as offered by Equity Bank Rwanda PLC to its customers using Likert Scale of 1 – 5. Means were used to compute the responses. Mean values of 5 and 4.5 suggested strongly agree, 4.4 – 4.0 agree, 3.9 – 3.0 undecided, 2.9 – 2.0 disagree, and 1.9 – 1.0 strongly disagree.

Table 4.7: Opinions on Service Quality Delivery In Regards To Consumer Focus

Particulars	N Valid	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Mean
Accuracy is assured in all bank transactions	100	1	3	9	45	42	4.2400
Consumers are informed about available services and products accurately and in a timely manner	100	2	12	7	28	51	4.1400
Services given by the bank coordinate the requirements of the customers	100	1	1	2	50	44	4.4200
Products and services presented by the bank meet the needs of the customers	100	2	3	11	34	50	4.5400
The bank conducts consumer analysis and foresee changing needs for quality products and services	100	1	7	22	48		4.0900

Source: Primary Data (2021)

Table 4.7 shows that the respondents strongly agreed with the statement that products and services presented by the bank meet the needs of the customers (mean 4.54). Respondents agreed with the following statements; services given by the bank coordinate the requirements of the customers (mean 4.42); accuracy is assured in all bank transactions (mean 4.24); consumers are informed about available services and products (mean 4.14); and the bank conducts consumer analysis and foresee changing needs for quality products and services (mean 4.09).

By strongly agreeing that the bank's products and services met the needs of the consumers, the respondents suggested that the level of service quality of the bank could be derived from its services and products, which matched the needs of its consumers. A mismatch in consumer needs and products/services translated to poor quality service and the vice versa, and hence an indication that the service quality delivery at Equity bank had factored in the needs of its consumers when devising its products and services. Respondents also agreed with the other statements with mean values ranging from 4.42 to 4.09, an indication of high service quality levels of the bank through service delivery.

The statements suggested that service delivery was enhanced through coordination of consumer requirements, ensuring accuracy in all bank transactions, informing consumers on available services and products, and conducting consumer analysis in order to foresee any changing needs for quality products and services. From the responses, the consumer was the core focus of all activities undertaken. As such all activities, products and services were adopted based on the interest of the consumer, which is the best retention strategy aimed at satisfying consumer levels. Besides, when the organization keeps tabs with the changing needs for quality products, then it would offer products and services that cater for their needs, and hence quench the ever consumer changing needs in a competitive environment. The aftermath would be increase in sales and bank performance is high.

Findings were in line with those by Khan and Fasih (2014); Tinashe and Eustina (2016); Boohene, Agyapong, and Gonu (2013); and Sakwa and Oloko (2014). Khan and Fasih (2014) reported a positive connection between all dimensions of quality of service, satisfaction of consumers, and loyalty in banks in Turkey. Empirical evidence by Tinashe and Eustina (2016) suggested that customer retention strategies positively impacted customer loyalty and satisfaction levels. Boohene, Agyapong, and Gonu (2013) found relationships between service quality, customer fulfillment, trust, duty, maintenance, and exchanging boundary while Sakwa and Oloko (2014) linked the duration of time that consumers waited to be served with customer satisfaction.

Respondents were provided with statements to rate their levels of agreements with the service quality delivery in relation to handling consumers' inquiries and complains as offered by Equity Bank Rwanda PLC to its customers.

Table 4.8: Opinions on Service Quality Delivery in Regards to Handling Consumers' Inquiries and Complains

Particulars	N Valid	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Mean
A customer relationship management system is used by customer service officers to understand customer profiles and offer quick responses	100	1	6	24	16	53	4.1500
The bank has a call center that allows customers to call care centers for assistance	100	1	4	22	31	42	4.0900
There is a customer care desk set for customer care assistance	100	-	2	18	28	52	4.3000
Customer complaints are handled immediately	100	4	4	9	46	37	4.0800
Bank officials make follow-ups to ensure that complaints were handled effectively and consumers were satisfied	100	8	1	6	28	57	**4.2500**

Source: Primary Data (2021)

Table 4.8 shows that the respondents agreed with the following statements; there is a customer care desk set for customer care assistance (mean 4.3); bank officials make follow-ups to ensure that complaints were handled effectively and consumers were satisfied (mean 4.25); a customer relationship management system is used by customer service officers to understand customer (mean 4.15); the bank has a call center that allows customers to call care centers for assistance (mean 4.09); and customer complaints are handled immediately (mean 4.08).

The link between service quality delivery and handling client inquiries and complaints cannot be ignored more so in a period where clients know their rights. The ability of a bank to handle any complains and inquiries in a professional manner determines the degree of adopted strategies to retain consumers. Consumer complain handling is a strategy that ensures full satisfaction of clients in the case that there are mistakes. Hence, from the findings, it was evident that Equity bank had put into place strategies that were aimed at dealing with consumer queries and complains. These strategies were defined by the availability of a customer care enquiry desk for any assistance, follow up of consumer complains, application of a consumer relationship management system, handling of consumer complaints immediately, and having a call center that allowed consumers to call for assistance. When the needs of consumers are brought forth, the service delivery of the bank is enhanced as they are able to access more services and hence is the rate of production and financial growth. Besides, the rate of consumer satisfaction with the service delivery system adopted is high.

The findings were consistent with those by Kuria and Muturi (2018) and Farayibi (2016). Kuria and Muturi (2018) linked customer focus and complain handling with beneficial outcomes on the exhibition of the bank, an indication that the increase in customer focus and complain handling enhanced the monetary execution of the business banks, hence, improving customer focus would have a constructive outcome on commercial bank performance. Farayibi (2016) identified a relationship between enhanced performance of banks in service delivery and satisfaction of consumers through the application of effective consumer relationship management (CRM) strategies.

Respondents were provided with statements to rate their levels of agreements with consumer perceived strategies adopted by Equity Bank Rwanda PLC and findings recorded in Table 4.9.

Table 4.9: Opinions on Consumer Perceived Strategies Adopted by Equity Bank Rwanda PLC

Particulars	N Valid	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Mean
Product price is the most significant measure in the determination of business banks	100	4	4	11	44	37	4.0600
Equity bank has competitive pricing compared to others	100	7	2	9	45	37	4.0300
Addition of new product features to the existing product is frequently done in our bank and does not affect the pricing upwards	100	8	5	16	40	31	3.8100
Equity bank provides products at low prices which add value to achieve competitive advantage which, in turn, increases consumers' positive behavioral intentions	100	1	5	10	49	35	4.1200

Source: Primary Data (2021)

Respondents agreed with the following statements; Equity bank provides products at low prices which add value to achieve competitive advantage which, in turn, increases consumers' positive behavioral intentions (mean 4.12); Product price is the most significant measure in the determination of business banks (mean 4.06); and Equity Bank has competitive pricing compared to others (mean 4.03). Respondents were not decided with the statement Addition of new product features to the existing product is frequently done in our bank and does not affect the pricing upwards (mean 3.81).

Respondents were provided with statements to rate the extent to which the bank offered numerous product diversification products and services using Likert Scale of 1 – 5. Means were used to compute the responses. Mean values of 5 - 4.5 suggested very high extent, 4.4 – 4.0 high extent, 3.9 – 3.0 moderate extent, 2.9 – 2.0 low extent, and 1.9 – 1.0 very low extent. Findings were as shown in Table 4.10.

Table 4. 10: Level of Extent to Which Product Diversification Products and Services Are Offered

Particulars	N Valid	Very Low Extent	Low Extent	Moderate Extent	High Extent	Very High Extent	Mean
Internet and Mobile banking	100	4	3	7	38	48	4.2300
Money Transfer services	100	1	5	5	33	56	4.3800
Asset financing	100	3	5	21	39	32	3.9200
Agency banking	100	2	3	9	28	58	4.3700
Bank assurance	100	2	5	10	31	52	4.2600

Source: Primary Data (2021)

Table 4.10 shows that the respondents suggested the bank offered the following products to a high extent; money transfer services (mean 4.38); agency banking (mean 4.37); bank assurance (mean 4.26); and internet and mobile banking (mean 4.23). respondents suggested that the asset financing product was offered to a moderate extent (mean 3.92). From the analysis, it was evident that Equity Bank had diversified its product provision through different products that defined the needs of its clientele.

Respondents were provided with statements to rate their levels of agreements with product diversification practices as offered by Equity Bank Rwanda PLC to its customers and findings recorded.

Table 4.11: Opinions about Product Diversification Practices

Particulars	N Valid	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Mean
The bank offers novel and particular items	100	2	3	5	27	63	4.4600
The bank uses latest technology that has diversified its ability to offer services to customers	100	2	4	19	25	50	4.1700
The bank has memorable advertisements that capture significant data with respect to their products and services	100	2	3	7	30	58	4.5900
The adoption of Mobile banking and the frequency of transactions using Money Transfer technologies 'EazzyPay" has increased the bank's profitability.	100	-	2	8	55	35	4.1300

Source: Primary Data (2021)

As shown in Table 4.11, respondents strongly agreed with the statement that the bank has memorable advertisements that capture significant data with respect to their products and services (mean 4.59). Respondents agreed with the following statements; The bank offers novel and particular items (mean 4.46); the bank uses latest technology that has diversified its ability to offer services to customers (mean 4.17); the adoption of Mobile banking and the frequency of transactions using Money Transfer technologies 'EazzyPay" has increased the bank's profitability (mean 4.13).

Diversification is a strategy that involves increasing the services and products if the organization in its existing markets and hence widening operational scope. The advantage associated with the diversification strategy is the capacity to build relationships with existing products and markets. The findings indicated that Equity Bank had managed to diversify its product range to match the needs of its clients, and the approaches used included the adoption of technologically advanced services and products. The findings were consistent with those by Sakwa and Oloko (2014); Mecha, Ogutu, and Ondieki, (2015); and Kenyoru, *et al*. (2016). Sakwa and Oloko (2014) linked product diversification with increased financial performance of banks. Mecha, Ogutu, and Ondieki, (2015) linked innovativeness with high rates of consumer retention and Kenyoru, *et al*. (2016) linked vertical, horizontal, and conglomerate diversification and the monetary execution of banks.

4.2.2 Performance Level of Equity Bank Rwanda PLC

The second research objective was to determine the performance level of Equity Bank Rwanda PLC. Respondents were asked to rate the performance level of Equity Bank Rwanda PLC and findings indicated in Table 4:12.

Table 4.12: Performance Level of Equity Bank Rwanda PLC

Performance Measure	Less than 25%	26% - 50%	51% - 75%	76% and Above	TOTAL
Customer Retention Rate	3	10	19	68	100
Customer Growth	10	9	16	65	100
Banking Operational Costs	7	6	11	76	100
Total	66	20	11	3	100

Source: Primary Data (2021)

As shown in Table 4.12, most of the respondents (68) indicated that the customer retention rate of the bank was above 76%, 65 indicated that customer growth was above 76%, and 66 indicated that the operational costs of the bank were less than 25%. The findings therefore suggested that the performance level of the bank was high owing to high customer retention rates, high consumer growth, and low banking operations.

4.2.3 Correlation and Regression Analysis

The third research objective was to determine the relationship between consumer retention strategies and the performance of Equity Bank Rwanda PLC. A pearson correlation analysis was conducted to determine the relationship between the independent variable, consumer retention strategies and dependent variable, bank performance. Findings were as recorded in Table 4.13.

Table 4.13: Correlation Analysis – Consumer Retention Strategies and Bank Performance

Particulars		Service Quality Delivery	Product Diversification	Consumer Perceived Pricing	Customer Retention rates	Customer Growth	Banking operational costs
Service Quality Delivery	Pearson Correlation	1	.183	.296*	.216*	.271*	.226*
	Sig. (2-tailed)		.069	.040	.031	.039	.024
	N	100	100	100	100	100	100
Product Diversification	Pearson Correlation	.183	1	.146	.263**	.251**	.160*
	Sig. (2-tailed)	.069		.148	.008	.000	.012
	N	100	100	100	100	100	100
Consumer Perceived Pricing	Pearson Correlation	.296*	.146	1	.470**	.346**	.283*
	Sig. (2-tailed)	.040	.148		.000	.002	.036
	N	100	100	100	100	100	100
Customer Retention rates	Pearson Correlation	.216*	.263**	.470**	1	.464**	.671**
	Sig. (2-tailed)	.031	.008	.000		.000	.000
	N	100	100	100	100	100	100
Customer Growth	Pearson Correlation	.271*	.251**	.346**	.464**	1	.622**
	Sig. (2-tailed)	.039	.000	.002	.000		.000
	N	100	100	100	100	100	100
Banking operational costs	Pearson Correlation	.226*	.160*	.283*	.671**	.622**	1
	Sig. (2-tailed)	.024	.012	.036	.000	.000	
	N	100	100	100	100	100	100

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

As indicated in Table 4.13, the findings suggested positive correlations between service quality delivery and all the predictors of bank performance; customer retention rates (*r* .216*, p .031), customer growth (*r* .271*, p .039), Banking operational costs (*r* .226*, p .024). All the correlations were statistically significant given that the p values were < 0.05. The implications of the findings are that when the service quality delivery at Equity Bank is high, the performance will be high and will be exhibited through high consumer retention rates, growth of consumers, and high levels of consumer satisfaction will be recorded.

There were positive correlations between product diversification and all the predictors of bank performance; customer retention rates (*r* .263**, p .008), customer growth (*r* .251**, p .000), Banking operational costs (*r* .160*, p .012). All the correlations were statistically significant given that the p values were < 0.05 or < 0.01. The implications of the findings are that when Equity Bank has wide product diversification range, the performance will be high and will be exhibited through high consumer retention rates, growth of consumers, and high levels of consumer satisfaction will be recorded.

There were positive correlations between consumer perceived pricing and all the predictors of bank performance; customer retention rates (*r* .470**, p .000), customer growth (*r* .346**, p .002), Banking operational costs (*r* .283*, p .036). All the correlations were statistically significant given that the p values were < 0.05 or < 0.01. The implications of the findings are that when consumer perceived pricing at Equity Bank is high, the performance will be high and will be exhibited through high consumer retention rates, growth of consumers, and high levels of consumer satisfaction will be recorded.

4.2.4.1 Regression Analysis, Customer Retention Rates

Regression analysis was done to establish the influence of consumer retention strategies on bank performance when the consumer retention rates variable was regressed against the independent variables.

Table 4.14: Model Summary, Customer Retention Rates

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891[a]	.653	.626	1.21830

a. Predictors: (Constant), Consumer Perceived Pricing, Service Quality Delivery, Product Diversification

b. Dependent Variable: Customer Retention rates

Table 4.14 indicated the model summary with the R^2 (.891) and the adjusted R^2 (.626) when consumer retention rates variable was regressed against the independent variables suggesting that 65.3% variance of customer retention rates was accounted for by the model, in this case, consumer perceived pricing, service quality delivery, and product diversification.

Table 4.15: ANOVA, Customer Retention Rates

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.701	3	8.567	5.772	.001[b]
	Residual	142.489	96	1.484		
	Total	168.190	99			

a. Dependent Variable: Customer Retention rates

b. Predictors: (Constant), Consumer Perceived Pricing, Service Quality Delivery, Product Diversification

Table 4.15 displays the F-test of the ANOVA results on consumer retention rates with F = .99 and 5.772 degrees of freedom of the test, suggesting that the test was highly significant, and was thus assumed that there was a linear relationship between the variables in the model. The probability of .006 indicated that the model was significant in predicting the influence of consumer retention strategies on customer retention rates given that the p value was < 0.01.

Table 4.16: Coefficients, Customer Retention Rates

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	.557	1.163		.479	.033
Service Quality Delivery	.456	.161	.271	2.839	.006
Product Diversification	.486	.143	.328	3.402	.001
Consumer Perceived Pricing	.143	.123	.110	1.161	.049

a. Dependent Variable: Customer Retention rates

The regression model derived from Table 4.16 was as follows:

$Y = 0.557 + 0.271X_1 + 0.328X_2 + 0.110X_3$, Where Y is customer retention rates; X_1 is service quality delivery; X_2 is product diversification; and X_3 is customer perceived pricing. The significance levels of the independent variables were; service quality delivery ($p = .006$); product diversification ($p = .001$); and customer perceived pricing ($p = .049$). The model was significant in predicting the influence of consumer retention strategies on customer retention rates given that the p values were < 0.05 or < 0.01. The regression model provided a statistical control through which the study established the influence of each predictor variable. The results also indicated that the coefficients for each independent variable were non-zero, hence the suggestion that all the independent variables influenced customer retention rates.

4.2.4.2 Regression Analysis, Customer Growth

A regression analysis was conducted to determine the influence of consumer retention strategies on bank performance when the customer growth variable was regressed against the independent variables.

Table 4.17: Model Summary, Customer Growth

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.769[a]	.755	.728	1.55434

a. Predictors: (Constant), Consumer Perceived Pricing, Service Quality Delivery, Product Diversification

b. Dependent Variable: Customer Growth

Table 4.17 shows the model summary with the R^2 (.755) and the adjusted R^2 (.728) when the customer growth variable was regressed against the independent variables suggesting that 75.5% variance of customer growth was accounted for by the model, in this case, consumer perceived pricing, service quality delivery, and product diversification.

Table 4.18: ANOVA, Customer Growth

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.816	3	2.272	.940	.024[b]
	Residual	231.934	96	2.416		
	Total	238.750	99			

a. Dependent Variable: Customer Growth

b. Predictors: (Constant), Consumer Perceived Pricing, Service Quality Delivery, Product Diversification

Table 4.18 displays the F-test of the ANOVA results customer growth with $F = .99$ and .940 degrees of freedom of the test, suggesting that the test was highly significant, and was thus assumed that there was a linear relationship between the variables in the model. The probability of .024 indicated that the model was significant in predicting the influence of consumer retention strategies on customer growth given that the p value was < 0.05.

Table 4.19: Coefficients, Customer Growth

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.320	.484		.890	.036
	Service Quality Delivery	.497	.205	.448	.471	.039
	Product Diversification	.549	.182	.441	1.368	.005
	Consumer Perceived Pricing	.576	.157	.514	1.121	.025

a. Dependent Variable: Customer Growth

The regression model derived from Table 4.19 was as follows:

$Y= 0.320+ 0.448X_1 + 0.441X_2 + 0.514X_3$, Where Y is customer growth; X_1 is service quality delivery; X_2 is product diversification; and X_3 is customer perceived pricing. The significance levels of the independent variables were; service quality delivery ($p = .039$); product diversification ($p = .005$); and customer perceived pricing ($p = .025$). The model was significant in predicting the influence of consumer retention strategies on customer growth given that the p values were < 0.05 or < 0.01. The regression model provided a statistical control through which the study established the influence of each predictor variable. The results also indicated that the coefficients for each independent variable were non-zero, hence the suggestion that all the independent variables influenced customer retention rates.

4.2.4.3 Regression Analysis, Banking operational costs

A regression analysis was conducted to determine the influence of consumer retention strategies on bank performance when the Banking operational costs variable was regressed against the independent variables.

Table 4. 20: Model Summary, Banking operational costs

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.767[a]	.535	.508	1.37075

a. Predictors: (Constant), Consumer Perceived Pricing, Service Quality Delivery, Product Diversification

b. Dependent Variable: Banking operational costs

Table 4.20 shows the model summary with the R^2 (.535) and the adjusted R^2 (.508) when Banking operational costs variable was regressed against the independent variables suggesting that 53.5% variance of Banking operational costs was accounted for by the model, in this case, consumer perceived pricing, service quality delivery, and product diversification.

Table 4.21: ANOVA, Banking operational costs

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	28.131	3	9.377	4.991	.003[b]
	Residual	180.379	96	1.879		
	Total	208.510	99			

a. Dependent Variable: Banking operational costs

b. Predictors: (Constant), Consumer Perceived Pricing, Service Quality Delivery, Product Diversification

Table 4.21 displays the F-test of the ANOVA results on Banking operational costs with F = .99 and 4.991 degrees of freedom of the test, suggesting that the test was highly significant, and was thus assumed that there was a linear relationship between the variables in the model. The probability of .003 indicated that the model was significant in predicting the influence of consumer retention strategies on customer satisfaction levels given that the p value was < 0.01.

Table 4.22: Coefficients, Banking operational costs

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	.069	.308		.817	.016
Service Quality Delivery	.489	.181	.261	2.702	.008
Product Diversification	.392	.161	.238	2.438	.017
Consumer Perceived Pricing	.300	.139	.208	2.164	.033

a. Dependent Variable: Banking operational costs

The regression model derived from Table 4.22 was as follows:

$Y= 0.069+ 0.261X_1 + 0.238X_2 + 0.208X_3$, Where Y is Banking operational costs; X_1 is service quality delivery; X_2 is product diversification; and X_3 is customer perceived pricing. The significance levels of the independent variables were; service quality delivery ($p = .008$); product diversification ($p = .017$); and customer perceived pricing ($p = .033$). The model was significant in predicting the influence of consumer retention strategies on banking operational costs given that the p values were < 0.05 or < 0.01. The regression model provided a statistical control through which the study established the influence of each predictor variable. The results also indicated that the coefficients for each independent variable were non-zero, hence the suggestion that all the independent variables influenced customer retention rates.

CHAPTER FIVE: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a summary of the findings discussed in chapter four as per the research objectives. Other sections of the chapter present conclusions drawn from research findings and recommendations reached upon by the researcher. The last section of the chapter presents a suggestion for future studies.

5.1 Summary of Findings

5.1.1 Consumer Retention Strategies and the Performance of Equity Bank Rwanda PLC.

The first research objective was to examine the effect of consumer retention strategies on the performance of Equity Bank Rwanda PLC. 3% of the respondents leveled the level of service quality as low, 14% suggested a moderate level, 47% suggested a high level, and 36% suggested a very high level (see Table 4.6). Respondents strongly agreed with the statement that products and services presented by the bank meet the needs of the customers (mean 4.54). Respondents agreed with the following statements; services given by the bank coordinate the requirements of the customers (mean 4.42); accuracy is assured in all bank transactions (mean 4.24); consumers are informed about available services and products (mean 4.14); and the bank conducts consumer analysis and foresee changing needs for quality products and services (mean 4.09) (see Table 4.7). Respondents agreed with the following statements; There is a customer care desk set for customer care assistance (mean 4.3); bank officials make follow-ups to ensure that complaints were handled effectively and consumers were satisfied (mean 4.25); a customer relationship management system is used by customer service officers to understand customer (mean 4.15); the bank has a call center that allows customers to call care centers for assistance (mean 4.09); and customer complaints are handled immediately (mean 4.08)

In regards to product diversification, respondents suggested that the bank offered the following products to a high extent; money transfer services (mean 4.38); agency banking (mean 4.37); bank assurance (mean 4.26); and internet and mobile banking (mean 4.23). respondents suggested that the asset financing product was offered to a moderate extent (mean 3.92) Respondents strongly agreed with the statement that the bank has memorable advertisements that capture significant data with respect to their products and services (mean 4.59). Respondents agreed with the following statements; The bank offers novel and particular items (mean 4.46); the bank uses latest technology that has diversified its ability to offer services to customers (mean 4.17); the adoption of Mobile banking and the frequency of transactions using Money Transfer technologies 'EazzyPay" has increased the bank's profitability (mean 4.13)

In regards to consumer perceived pricing, respondents agreed with the following statements; Equity bank provides products at low prices which add value to achieve competitive advantage which, in turn, increases consumers' positive behavioral intentions (mean 4.12); Product price is the most significant measure in the determination of business banks (mean 4.06); and Equity Bank has competitive pricing compared to others (mean 4.03). Respondents were not decided with the statement Addition of new product features to the existing product is frequently done in our bank and does not affect the pricing upwards (mean 3.81)

5.1.2 Performance Level of Equity Bank Rwanda PLC

Majority of the respondents (68) point out that the customer retention rate of the bank was above 76%, 65 indicated that customer growth was above 76%, and 66 indicated that the operational costs of the bank were less than 25%. The findings therefore suggested that the performance level of the bank was high owing to high customer retention rates, high consumer growth, and low banking operations

5.1.3 Correlation Analysis

Findings from the correlation analysis suggested positive correlations between service quality delivery and all the predictors of bank performance; customer retention rates (r .216*, p .031), customer growth (r .271*, p .039), Banking operational costs (r .226*, p .024). There were positive correlations between product diversification and all the predictors of bank performance; customer retention rates (r .263**, p .008), customer growth (r .251**, p .000), Banking operational costs (r .160*, p .012). There were positive correlations between consumer perceived pricing and all the predictors of bank performance; customer retention rates (r .470**, p .000), customer growth (r .346**, p .002), Banking operational costs (r .283*, p .036). All the correlations were statistically significant given that the p values were < 0.05 or < 0.01

Regression analysis was done to establish the influence of consumer retention strategies on bank performance when the dependent variables were regressed against the independent variables. The findings suggested a 65.3% variance of customer retention rates, 75.5% variance of customer growth, and 53.5% variance of Banking operational costs as accounted for by the model, in this case, consumer perceived pricing, service quality delivery, and product diversification. ANOVA results suggested consumer retention rates (p=.006), customer growth (p = .024), Banking operational costs (.003) indicating that the models were significant in predicting the influence of consumer retention strategies on bank performance given that the p values were <0.05 or < 0.01

5.2 Conclusions

Conclusions made by the study suggested that Equity bank had adopted customer retention strategies that contribute towards improving its market share. These strategies included service quality delivery, product diversification, and consumer perceived pricing. Service quality consumer retention strategies adopted by the bank had contributed towards increment in the quantity of consumers seeking products and services. Product diversity retention strategies had led to high satisfaction rates among consumers.

The bank had adopted pricing mechanisms that were affordable and satisfied the needs of its clientele and hence increased the growth in numbers of consumers. Client maintenance systems adopted by the bank had contributed towards increasing customer numbers and enabled customers to access services and products for longer durations of time. The bank had managed to retain customers that had complained before through effective complaint management strategies. Client maintenance systems adopted by the bank had enhanced its reputation in the banks.

5.3 Recommendations

The study made the following recommendations;

Asset financing recorded the least mean in regards to product diversification; hence, the bank should come up with strategic ways of enhancing the product and making it more marketable to its clients.

The ability of the bank to inform its consumers about available services and products in an accurate and timely manner recorded the lowest mean among opinions on service quality delivery, hence; the bank should device mechanisms that ensure that its communication channels with consumers are strengthened.

In regards to consumer focus, the banks should strengthen consumer analysis in order to ensure that it foresees changing needs for more quality products and services.

5.5 Suggestions for Future Studies

The research findings established that the rate of consumer satisfaction from the perspective of the bank, which could be bias. Future studies should look into including consumer samples as respondents and gauge their satisfaction levels against the strategies employed by the bank. The study was also limited to Equity Bank PLC. Future studies should extent to include other banks operating in both urban and rural regions.

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APPENDICES

Appendix I: Research Questionnaire
Section A: Demographic Characteristics

1. Gender

Male ☐ Female ☐

2. Age

Below 25yrs ☐ 26-35 yrs ☐ 45yrs ☐ e 46 yrs ☐

3. Education Level

Primary Education ☐

Secondary Education ☐

Bachelor's Degree ☐

Master's Degree ☐

Doctorate Degree ☐

4. Which unit do you work in?

Marketing and customer experience ☐

Commercial ☐

Human resources ☐

Operations ☐

Credit ☐

Channels ☐

☐

☐

Diaspora banking

Treasury

5. For how long have you been working For Equity Bank Rwanda PLC?

Less than 1 year ☐

2 – 5 years ☐

6 Years and Above ☐

Section B: Customer engagement strategies and the Performance of Equity Bank Rwanda PLC.

6. What is the level of quality service in your bank

Very High ☐

High ☐

Moderate ☐

Low ☐

Very Low ☐

7. Please specify your levels of agreement with the statements provided below regarding the service quality delivery in regards to consumer focus as provided by Equity Bank Rwanda PLC to its customers Using a five-point Likert scale of 5=Strongly Agree, 4=Agree, 3=Undecided, 2= Disagree, 1=Strongly Disagree

Opinion Statement	**1**	**2**	**3**	**4**	**5**
Accuracy is assured in all bank transactions					
Consumers are informed about available services and products accurately and in a timely manner					
Services given by the bank coordinate the requirements of the customers					
Products and services presented by the bank meet the needs of the customers					
The bank conducts consumer analysis and foresee changing needs for quality products and services					

8. Please specify your levels of agreement with the statements provided below regarding the service quality delivery in regards to handling consumers' inquiries and complains as provided by Equity Bank Rwanda PLC to its customers Using a five-point Likert scale of 5=Strongly Agree, 4=Agree, 3=Undecided, 2= Disagree, 1=Strongly Disagree

Opinion Statements	**1**	**2**	**3**	**4**	**5**
A customer relationship management system is used by customer service officers to understand customer profiles and offer quick responses					
The bank has a call center that allows customers to call care centers for assistance					
There is a customer care desk set for customer care assistance					
Customer complaints are handled immediately					
Bank officials make follow-ups to ensure that complaints were handled effectively and consumers were satisfied					

Product Diversification and the Performance of Equity Bank Rwanda PLC

9. To what extent does your bank offer the following product diversification products and services? Using a five-point Likert scale of 5=Very High Extent, 4=High Extent, 3=Moderate Extent, 2= Low Extent, 1=Very Low Extent

Product Diversification strategies	1	2	3	4	5
Internet and Mobile banking					
Money Transfer services					
Asset financing					
Agency banking					
Bank assurance					

10. Please specify your levels of agreement with the statements provided below regarding product diversification practices practiced by Equity Bank Rwanda PLC Using a five-point Likert scale of 5=Strongly Agree, 4=Agree, 3=Undecided, 2= Disagree, 1=Strongly Disagree

Opinion Statements	1	2	3	4	5
The bank offers novel and particular items					
The bank uses latest technology that has diversified its ability to offer services to customers					
The bank has memorable advertisements that capture significant data with respect to their products and services.					
The adoption of Mobile banking and the frequency of transactions using Money Transfer technologies 'EazzyPay" has increased the bank's profitability.					

Consumer Perceived Pricing and the Performance of Equity Bank Rwanda PLC

11. Please specify your levels of agreement with the statements provided below regarding consumer perceived strategies adopted by Equity Bank Rwanda PLC using a five-point Likert scale of 5=Strongly Agree 4=Agree 3=Undecided 2= Disagree 1=Strongly Disagree

Opinion Statements	1	2	3	4	5
Product price is most significant measure in the determination of business banks					
Equity bank has competitive pricing compared to others					
Addition of new product features to the existing product is frequently done in our bank and does not affect the pricing upwards.					
Equity bank provides products at low prices which add value to achieve competitive advantage which, in turn, increases consumers' positive behavioral intentions					

Section C: Assessment of Bank Performance in Relation to Consumer Retention Strategies

12. Please rate the performance level of your bank based on the following measures.

Performance Measures	Less than 25%	26% - 50%	51% - 75%	76% and Above
Customer Retention rates				
Customer Growth				
Banking Operational Costs				

Thank you for your cooperation